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THE

## Cotton

SITUATION

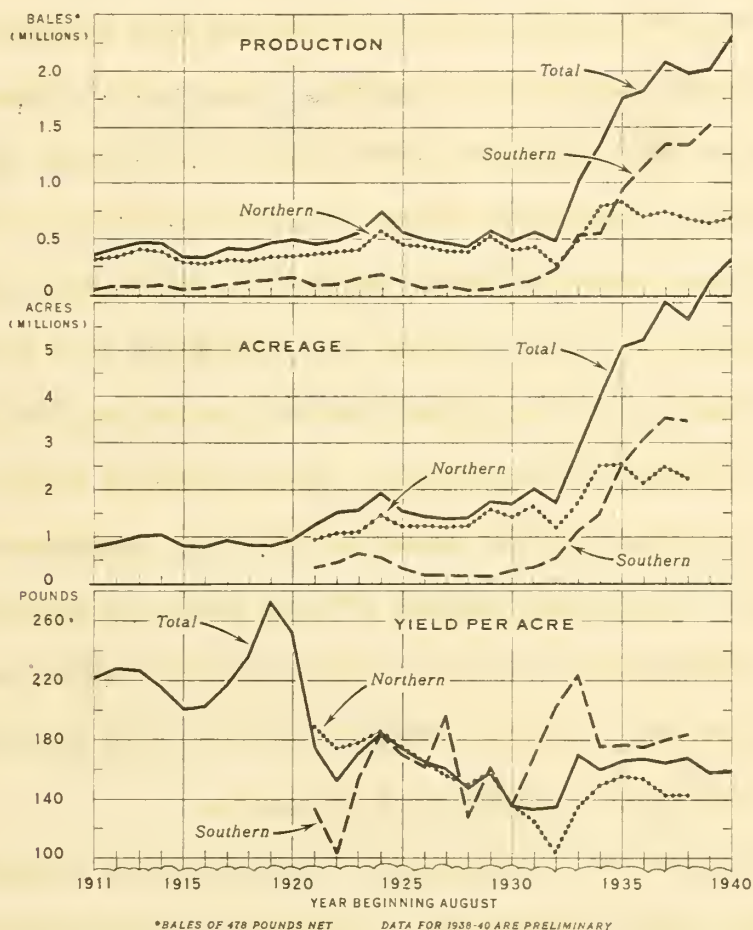
BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE

CS-51

BAE

JANUARY 1941

COTTON: PRODUCTION, ACREAGE, AND YIELD, BRAZIL, 1911-40



U. S. DEPARTMENT OF AGRICULTURE

NEG 28243 BUREAU OF AGRICULTURAL ECONOMICS

BRAZIL'S COTTON ACREAGE AND PRODUCTION INCREASED GRADUALLY FROM 1911 TO 1931 DESPITE DECLINING YIELDS PER ACRE. SINCE THEN THEY HAVE INCREASED SHARPLY. MOST OF THE EXPANSION SINCE 1931 HAS OCCURRED IN SOUTHERN BRAZIL, WHICH ACCOUNTED FOR CONSIDERABLY LESS THAN HALF OF THE TOTAL DURING THE EARLIER PERIOD. IN RECENT YEARS THE INCREASED QUANTITIES OF BRAZILIAN COTTON IN THE LARGE IMPORT MARKETS OF THE WORLD HAVE INTENSIFIED THE COMPETITION BETWEEN BRAZILIAN AND AMERICAN COTTON. THIS SEASON BRAZILIAN COTTON HAS BEEN OFFERED IN A NUMBER OF MARKETS AT A PRICE MATERIALLY BELOW THAT OF AMERICAN COTTON, WITH THE RESULT THAT IT IS OUTSELLING AMERICAN COTTON IN BOTH CANADA AND THE ORIENT.

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T H E C O T T O N S I T U A T I O N  
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Summary

Cotton consumption totaled 775,000 bales in December compared with 744,000 bales in November and was exceeded only by the all-time high of 777,000 in March 1937. The seasonally adjusted index of cotton consumption for December was 145 percent of the 1935-39 average, exceeding the previous record made a month earlier by 10 points. Since early January, sales of unfinished textiles have apparently been equal to or greater than production. The continued large backlog of orders is an indication that mill consumption of cotton may be expected to remain quite high for at least several months.

Exports from the United States are continuing at a rate about one-fifth that of last season, with the United Kingdom accounting for about one-half and Russia about one-fourth of the total. During December 107,000 bales were shipped, raising the total for the season to 603,000. Egyptian exports through December of this season have totaled 260,000 bales, or one-third those of a year earlier. Brazil has suffered a much smaller relative decline in exports, since the 320,000 bales exported through November were only 14 percent below the total for the first 4 months of last season.

The spot price of Middling 15/16" cotton in the 10 markets has held above 10.0 cents since December 30. On January 10 the average price was 10.22, which is only 0.02 cent below the season's high on August 1, and on January 27 it was 10.12 cents. From December 27 to January 24 the price of American Middling cotton at Liverpool advanced from 14.31 to 14.57 cents per pound. The spread between the price at Liverpool and New Orleans widened from 4.31 to 4.39 cents during this period which was about one-half cent greater than in

January 1940. The price of Brazilian cotton at Sao Paulo and Indian at Bombay declined during this same period while the prices of these growths at Liverpool advanced, thereby widening the price spreads by about one-half and 1-1/4 cents respectively. The spread between the Sao Paulo and Liverpool prices is more than twice as great as in January 1940 while the spread between Bombay and Liverpool is 3-1/2 times larger.

-- January 28, 1941

#### PRICES

##### American: New crop futures gain with respect to spots

During the last few days of December and the first 10 days of January general price advances occurred in both spot and futures markets. The largest gains were in new crop futures which increased about one-half cent compared with gains of about one-third cent in the current season's futures and spots. Since January 10 generally small price decreases have occurred, but new crop futures held firmer than those for delivery this season. These relative gains in new crop futures seemingly reflect at least in part the speculative response to the recently announced plan for bringing about a smaller acreage of cotton in 1941.

The 10-market acreage price of Middling 15/16" cotton climbed above 10 cents per pound on December 30 and continued to climb so that by January 10 it was within 0.02 cent of the season's high of 10.24 cents. However, by January 27 the 10-market price was 10.12 cents per pound.

##### Liverpool prices: Margins widen between Liverpool and exporting points

The net price gains of American, Brazilian, and Indian cotton were greater at Liverpool from December 27 to January 24 than in the exporting countries. During this period American Middling advanced from 14.31 to 14.57 cents per pound to widen the spread over New Orleans from 4.31 cents to 4.39 cents. In January 1940 the spread in price between these two markets was 3.83 cents per pound.

During the weeks under consideration Brazilian cotton at Liverpool brought the same price as American Middling. During the same period, however, the price of the same grade of Brazilian cotton at Sao Paulo declined from 7.21 cents to 6.89 cents per pound so that the spread between the Sao Paulo and Liverpool prices was widened from 7.10 cents to 7.68 cents. This is more than twice the spread of 3.52 cents which prevailed in January 1940.

The largest price changes occurred with respect to Indian Fine Comra which advanced from 11.30 to 12.19 cents per pound at Liverpool. During the



same period the price at Bombay declined from 6.08 cents to 5.73 cents. The spread, therefore, widened from 5.22 cents on December 27 to 6.46 cents on January 24 as compared with 1.85 cents in January 1940.

These wider spreads between prices at Liverpool and in the various exporting countries probably reflect the increasing difficulty in arranging shipping space on certain ocean routes and possibly the much more rigid system of licensing.

#### EXPORTS

American: Russia was largest customer during  
December, taking three-eighths of total

During December 107,000 bales of cotton were exported from the United States. This is somewhat below the quantity exported in November and only 13 percent of the exports in December 1939. Russia was the largest individual customer during the month, taking 40,000 bales compared with 25,000 bales for Canada, 20,000 for the United Kingdom, and much smaller quantities to several other countries.

Up to the end of December, exports for the season totaled 603,000 bales, of which slightly over half (308,000 bales) went to the United Kingdom. Russia took 139,000 bales, or 23 percent of the total. Except for Russia which purchased no cotton from the United States last season, none of the more important customers of American cotton took as much as 45 percent of their last season's takings. Compared with those of the same period last season, Canada's takings through December were only 44 percent as large, the United Kingdom's 32 percent, Japan's 7 percent, and China's 3 percent. Total exports for the 5 months were only 19 percent as large as during the same period last season.

Prior to the beginning of the current season, 246,000 of the 600,000 bales of cotton traded to the United Kingdom for rubber had been exported. During the first 5 months of this season some 120,000 additional bales were shipped. Title to the remainder of the original 600,000 bales which was yet to be exported was transferred to the British Government prior to the end of December. Somewhere between 90,000 and 100,000 additional bales are yet to be delivered to the British Government in payment of the export subsidy which went into effect after the barter transaction was arranged.

Brazil: Brazil exports 83,000 bales in November  
and 320,000 bales from August through November

Brazil exported 83,000 bales of cotton during November, of which 21,000 went to Japan, 17,000 to Canada, 16,000 to the United Kingdom, and 14,000 to China. Smaller quantities were shipped to several other countries. Even though the November exports were more than three times as large as in the corresponding month last season, total exports from August through November totaled 320,000 bales as compared with 373,000 last season and 430,000 two seasons ago. Brazilian shippers are unofficially reported to doubt whether exports will be as large as anticipated earlier in the season. A shrinkage of exports by only 14 percent from last year's figure, however, shows that Brazil has been able to maintain its exports at a much higher level relative to a year earlier than any of the other major exporting countries. Additional references will be made to the Brazilian export situation in other sections of this report.

Egypt: Egyptian exports through  
December were 1/3 those of  
last season

During December Egyptian exports totaled 54,000 bales, raising the total for the first 5 months of the current season to 260,000. These are 26 percent and 32 percent, respectively, of the corresponding figures a year ago. Because of the current war situation, exports from Egypt are no longer being reported by country of destination. Most of the exports, however, are believed to have gone to Great Britain.

#### DEMAND AND CONSUMPTION

United States: 3/4 million bales consumption in  
December raises index of consumption to 145

During December consumption of cotton in the United States totaled 775,000 bales. This is 31,000 bales larger than in November and 80,000 bales more than in any December on record. It was the second largest quantity ever recorded for any month, being exceeded only in March 1937 when consumption totaled 777,000 bales.

The seasonally adjusted index of cotton consumption for December was 145 percent of the 1935-39 average compared with the previous high of 135 reached a month earlier and 128 in December 1939. The average rate of consumption for the remainder of the season could be somewhat below that in December and still give a consumption for the year in excess of 8-3/4 million bales.

Trade reports indicate that mills are still in a very good statistical position with a large backlog of unfilled orders. Some mills are reported to be sold well into the second quarter of the calendar year. Textile prices have made moderate advances in recent weeks.

Canada: Canadian mill activity  
high but may be decreased

Mill activity in Canada has continued at a high level in recent months, but there are indications that it may decline in the near future. Reasons which have been suggested include Canadian tariff changes, a decreased volume of Government contracts during 1941, a slackening in civilian orders, and a rather small backlog of unfilled orders.

United Kingdom: Shortage of shipping  
space appears to be retarding importations  
of cotton

Recent reports from the United Kingdom indicate that increasing difficulties are being encountered in arranging shipping space for cotton and cotton textiles. It is not known to what extent this reflects recent losses affecting total tonnage, since the need for other types of products may be so much greater than the need for cotton that with any given tonnage less space could be allotted to cotton and cotton products. A number of the



general import licenses have been replaced by a much more rigid system of licensing.

The working week in many of the British cotton mills was recently lengthened by 2-1/2 hours in an attempt to overcome a shortage of labor. This has resulted in a slight improvement in production. In response to higher living costs, wage increases were recently granted to a large number of textile workers. Domestic civilian purchases of textiles are reported to be slow but some additional Government orders have recently been placed. A considerable volume of sales for export has been made to the Dominions, Dutch Colonies, and South America. It is reported that price and delivery difficulties are keeping the volume of sales smaller than they otherwise would be.

Japan: Estimates of Japanese imports  
and consumption revised downward

Estimates of Japanese imports of raw cotton during the current season have been revised downward from 1,700,000 to 1,525,000 bales. Japanese imports of American cotton are not expected to exceed 250,000 bales (some members of the Japanese cotton trade place this figure at 100,000 bales) compared with the former estimate of 550,000 and imports last season of 896,000 bales of American cotton. Japan's purchases of American cotton would probably have been even smaller this season had adequate shipping space been available for the importation of larger quantities of cotton from South America, particularly Brazil. Japan is now expected to import more than 400,000 bales of Brazilian cotton this season compared with the earlier estimate of 350,000 bales. Of this amount it is reported that 270,000 bales have been shipped and the remainder already purchased. Other imports will probably include 100,000 bales from Peru and 500,000 or 600,000 bales from India.

Estimates of consumption in Japan are also scaled downward for the current season from 1,705,000 bales to 1,500,000 bales. Export sales of cotton textiles have been less than was originally anticipated. The European War which cut Japan off from some of her former markets, a growing anti-Japanese sentiment which has discouraged the purchase of Japanese textiles in some areas still open to trade, and higher production costs have all contributed to this situation. It is thought that textile sales have been so small that despite greatly curtailed mill activity stocks may have accumulated to about 10 times current monthly textile exports.

Spain: Imports only 49,000 bales  
during first 3 months of season

A report from Spain states that 49,109 bales of cotton (485 lbs. gross weight) were imported during the first 3 months of the current season. A total of 2,100 bales of this was American cotton which was shipped prior to August 1. The remainder was from Argentina. This is far below Spain's usual level of consumption. Despite the smaller number of mills than before the Spanish War and the low purchasing power of consumers, it is evident that the shortage of raw cotton is still acute since the supply of cotton on hand at the beginning of the season was very low.



Spanish officials have been negotiating for the purchase of cotton from both Brazil and Argentina, and recent information received from Argentina states that the details of a credit arrangement are being worked out whereby Spain can purchase an additional 100,000 bales in addition to the 50,000 bales purchased last summer. It is reported that the cotton under consideration is mostly of low grades on which the Argentine Government had made loans to growers exceeding current market prices. Spain is also attempting to negotiate a barter deal with Peru to obtain several thousand bales of Peruvian cotton.

The Spanish textile industry is handicapped by difficulty in obtaining dyestuffs and other secondary raw materials. It is also practically impossible to obtain new textile machinery and replacement parts. This situation was aggravated still more by floods along the river Catalonia during October which practically destroyed the only important textile machinery factory in Spain and caused considerable damage to a number of spinning establishments.

#### ACREAGE, PRODUCTION, STOCKS, AND SUPPLY

##### American cotton: Preliminary 1941 acreage allotments announced

The preliminary 1941 State cotton acreage allotments were released by the Agricultural Adjustment Administration in early January. It is too early to know what the final allotments will total since acreage increases are yet to be made to growers under the minimum allotment provisions of the Agricultural Adjustment Act of 1938. On the basis of the preliminary release, however allotments total 26,700,000 acres for 1941 as compared with 27,070,000 acres in 1940. On July 1, 1940 there were 25,073,000 acres of cotton in cultivation. (Allotments by States are shown toward the end of this report in table 4.)

A supplementary cotton program to encourage a voluntary reduction of cotton acreage below the 1941 national acreage allotment was announced on January 13 by the Secretary of Agriculture. Under this program farmers will be allowed to receive cotton stamps which can be used only for the purchase of cotton products. These stamps are given for planting less than their 1941 allotments or their 1940 measured acreage, whichever is lower, at the rate of 10 cents a pound times the normal yield of the underplanted acreage up to \$25 per family in the case of share croppers, tenants, and owner-operators. Owners of more than one farm or farms operated by more than one tenant, may qualify for up to \$50 worth of the stamps, based on their share of the crop.

##### Foreign countries: Egyptian Government advises reduction of next year's cotton acreage

Because of the difficulties which may be encountered next season in disposing of Egypt's cotton crop, the Egyptian Government has advised farmers to reduce their 1941 acreage. The British Government has agreed to buy, at fixed prices, all of the 1940 Egyptian crop offered for sale before April 30, 1941. However, the uncertainty about the situation for next year prompted the Government to advise the acreage reduction.

The second official estimate placed Argentina's 1940-41 cotton acreage at 832,000 acres as compared with 927,000 acres for the corresponding estimate last season. In 1939-40 the harvested acreage was 728,000 acres and the production was 362,000 bales of 478 pounds net weight. In 1938-39, a total of 327,000 bales was harvested from 841,000 acres.

Liverpool, England

|                 | Liverpool, England |                      |                                |                                | Osaka, Japan                   |                                |                                |                                |
|-----------------|--------------------|----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                 | American           |                      | Indian                         |                                | Egyptian                       |                                | Brazilian                      |                                |
|                 | Fine Oomra #1      |                      | F.G.F. Uppers                  |                                | Fair, Sao Paulo                |                                | Acola 1                        |                                |
|                 | Mid-<br>dling      | Low<br>Mid-<br>dling | As a<br>% of<br>:Ameri-<br>can | As a<br>% of<br>:Ameri-<br>can | As a<br>% of<br>:Ameri-<br>can | As a<br>% of<br>:Ameri-<br>can | As a<br>% of<br>:Ameri-<br>can | As a<br>% of<br>:Ameri-<br>can |
|                 | Actual             | Actual               | Actual                         | Actual                         | Actual                         | Actual                         | Actual                         | Actual                         |
|                 | Mid-<br>dling      | Mid-<br>dling        | Mid-<br>dling                  | Mid-<br>dling                  | Mid-<br>dling                  | Mid-<br>dling                  | Mid-<br>dling                  | Mid-<br>dling                  |
|                 | Pct.               | Pct.                 | Pct.                           | Pct.                           | Pct.                           | Pct.                           | Pct.                           | Pct.                           |
| 10-year average | Cents              | Cents                | Cents                          | Cents                          | Cents                          | Cents                          | Cents                          | Cents                          |
| 1927-28 to      | 14.50              | 13.60                | 11.19                          | 78.0                           | 17.12                          | 117.9                          | 14.08                          | 97.7                           |
| 1936-37         | 14.62              | 13.16                | 10.87                          | 74.4                           | 17.40                          | 119.0                          | 14.12                          | 96.6                           |
| 1936-37         | 10.31              | 8.78                 | 7.96                           | 77.1                           | 13.10                          | 126.7                          | 10.18                          | 98.7                           |
| 1937-38         | 10.15              | 8.71                 | 7.14                           | 70.4                           | 11.80                          | 116.5                          | 9.63                           | 94.9                           |
| 1938-39         | 12.64              | 11.79                | 9.94                           | 78.4                           | 15.76                          | 124.1                          | 12.49                          | 98.6                           |
| 1939-40         | 10.16              | 8.53                 | 7.38                           | 72.6                           | 11.35                          | 111.7                          | 9.37                           | 92.2                           |
| Aug.            | 11.21              | 9.79                 | 8.56                           | 76.4                           | 12.49                          | 111.4                          | 10.71                          | 95.5                           |
| Sept.           | 10.65              | 9.41                 | 8.41                           | 79.0                           | 12.03                          | 113.0                          | 10.45                          | 98.1                           |
| Oct.            | 11.66              | 10.79                | 9.46                           | 81.1                           | 12.70                          | 108.9                          | 11.59                          | 99.4                           |
| Nov.            | 14.14              | 13.32                | 11.69                          | 82.7                           | 15.80                          | 111.7                          | 14.14                          | 100.4                          |
| Dec.            | 14.81              | 14.12                | 12.31                          | 83.1                           | 17.50                          | 118.2                          | 14.87                          | 100.4                          |
| Jan.            | 13.74              | 13.11                | 11.09                          | 80.7                           | 17.14                          | 124.7                          | 13.94                          | 101.5                          |
| Feb.            | 13.06              | 12.53                | 10.68                          | 81.8                           | 17.17                          | 131.5                          | 13.23                          | 101.3                          |
| Mar.            | 13.47              | 12.88                | 10.70                          | 79.4                           | 17.64                          | 131.0                          | 13.47                          | 100.0                          |
| Apr.            | 12.95              | 12.36                | 10.23                          | 79.0                           | 17.44                          | 134.7                          | 12.95                          | 100.0                          |
| May             | 12.61              | 12.02                | 9.37                           | 74.3                           | 18.26                          | 144.8                          | 12.43                          | 98.5                           |
| June            | 13.25              | 12.60                | 9.46                           | 71.4                           | 19.54                          | 147.5                          | 12.71                          | 95.9                           |
| July            |                    |                      |                                |                                |                                |                                |                                |                                |
| 1940-41         |                    |                      |                                |                                |                                |                                |                                |                                |
| Aug.            | 13.50              | 13.00                | 9.76                           | 72.3                           | 20.50                          | 151.9                          | 13.10                          | 97.0                           |
| Sept.           | 14.20              | 13.57                | 10.28                          | 72.4                           | 21.31                          | 150.1                          | 13.67                          | 96.3                           |
| Oct.            | 13.65              | 12.98                | 10.26                          | 74.9                           | 20.81                          | 152.5                          | 13.35                          | 97.8                           |
| Nov.            | 13.84              | 12.57                | 10.71                          | 77.4                           | 20.27                          | 146.5                          | 13.77                          | 99.5                           |
| Dec.            | 14.20              | 13.24                | 11.22                          | 79.0                           | 19.33                          | 136.1                          | 14.29                          | 100.6                          |
| 6               | 14.32              | 13.32                | 11.22                          | 78.4                           | 19.52                          | 136.3                          | 14.32                          | 100.0                          |
| 13              | 14.04              | 13.11                | 11.14                          | 79.3                           | 19.44                          | 138.5                          | 14.21                          | 101.2                          |
| 20              | 14.14              | 13.22                | 11.22                          | 79.4                           | 19.49                          | 137.8                          | 14.31                          | 101.2                          |
| 27              | 14.31              | 13.30                | 11.30                          | 79.0                           | 18.87                          | 131.9                          | 14.31                          | 100.0                          |
| 3               | 14.71              | 13.70                | 11.54                          | 78.5                           | 18.77                          | 127.6                          | 14.71                          | 100.0                          |
| 10              | 14.66              | 13.65                | 11.71                          | 79.9                           | 18.65                          | 127.2                          | 14.66                          | 100.0                          |
| 17              | 14.67              | 13.67                | 12.21                          | 83.2                           | 18.67                          | 127.3                          | 14.67                          | 100.0                          |
| 24              | 14.57              | 13.57                | 12.19                          | 83.7                           | 18.60                          | 127.7                          | 14.57                          | 100.0                          |
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|                 |                    |                      |                                |                                |                                |                                |                                |                                |
|                 |                    |                      |                                |                                |                                |                                |                                |                                |
|                 |                    |                      |                                |                                |                                |                                |                                |                                |
|                 |                    |                      |                                |                                |                                |                                |                                |                                |
|                 |                    |                      |                                |                                |                                |                                |                                |                                |
|                 |                    |                      |                                |                                |                                |                                |                                |                                |

Continued

Table 1.- Cotton: Spot price per pound, specified growths at Liverpool and Osaka, specified periods  
- Continued.

Prices at Liverpool are compiled from reports of the Liverpool Cotton Association except for recent weeks which are from cables and reports of the New York Cotton Exchange. Prices were reported in pence per pound and converted to cents per pound at current official rates of exchange. Prices at Osaka are from "The Ton-Days Return of Cotton", Osaka, and cables to the Bureau of Agricultural Economics. They were reported in yen per picul and converted to cents per pound using monthly exchange rates as reported by the Federal Reserve Board; all prices in foreign countries based on net weight.

- 1/ Average of Hinganghat, Yeotmal and Akora, referred to as Acola or the Acola group.
- 2/ Average for 10 months.
- 3/ Not available.



Table 2.- Cotton: Spot price per pound and spread between prices in specified markets, 10-year average 1927-28 to 1936-37 and 1936-37 to date

|              | American Middling |           |            | Indian    |           | Brazilian |           | Egyptian Upper |           |      |
|--------------|-------------------|-----------|------------|-----------|-----------|-----------|-----------|----------------|-----------|------|
|              | : Spread: Spread: |           |            | : Spread: |           | : Spread: |           | : Spread:      |           |      |
| Season,      | : of              | : of      | :          | : of      | : Spread: | :         | : of      | :              | : of      |      |
| month        | : New             | : Liver-  | : Osaka:   | : Liver-  | : of      | :         | : Sao     | : Liver-       | : Alex-   |      |
| or           | : Or-             | : pool    | : over     | : Bombay: | : pool    | : Osaka   | : Sao     | : pool         | : andria: |      |
| day          | : leans           | : over    | : New      | :         | : over    | : over    | : Paulo   | : over         | : over    |      |
|              | :                 | : New Or- | : Orleans: | : Bombay: | : Bombay: | :         | : Sao     | :              | : Alexan  |      |
|              | :                 | : leans1/ | : 1/       | :         | : 1/      | :         | : Paulo1/ | :              | : dria    |      |
| 10-yr. av.   | : Cents           | Cents     | Cents      | Cents     | Cents     | Cents     | Cents     | Cents          | Cents     |      |
| 1927-28 to:  |                   |           |            |           |           |           |           |                |           |      |
| 1936-37 ...  | 12.99             | 1.51      | 1.75       | 10.06     | 1.13      | 1.31      | 14.11     | - .03          | 15.34     | 1.78 |
| 1936-37 .... | 13.45             | 1.17      | 2.30       | 10.08     | .79       | 1.50      | 12.95     | 1.17           | 15.46     | 1.94 |
| 1937-38 .... | 9.24              | 1.07      | 3.46       | 7.27      | .69       | 2.68      | 9.26      | .92            | 10.96     | 2.14 |
| 1938-39 .... | 9.04              | 1.11      | 2/1.98     | 6.57      | .57       | 2/1.38    | 8.40      | 1.23           | 9.92      | 1.88 |
| 1939-40 .... | 10.23             | 2.41      | 3/         | 8.13      | 1.81      | 3/        | 9.04      | 3.45           | 3/        | 3/   |
| Aug. ....    | 9.18              | .98       | 3/         | 6.76      | .62       | 3/        | 7.72      | 1.65           | 9.12      | 2.23 |
| Sept. ....   | 9.22              | 1.99      | 3/         | 7.33      | 1.23      | 3/        | 8.69      | 2.02           | 9.34      | 3.15 |
| Oct. ....    | 9.12              | 1.53      | 3/         | 7.46      | .95       | 3/        | 8.73      | 1.72           | 9.14      | 2.89 |
| Nov. ....    | 9.60              | 2.06      | 3/         | 8.61      | .85       | 3/        | 9.76      | 1.83           | 10.37     | 2.33 |
| Dec. ....    | 10.84             | 3.30      | 2.39       | 10.50     | 1.19      | .79       | 11.91     | 2.23           | 13.26     | 2.54 |
| Jan. ....    | 10.98             | 3.83      | 3/         | 10.46     | 1.85      | 3/        | 11.35     | 3.52           | 15.10     | 2.40 |
| Feb. ....    | 10.87             | 2.87      | 2.99       | 9.16      | 1.93      | .90       | 10.70     | 3.24           | 14.75     | 2.39 |
| Mar. ....    | 10.63             | 2.43      | 2.97       | 8.78      | 1.90      | .61       | 9.69      | 3.54           | 14.92     | 2.25 |
| Apr. ....    | 10.74             | 2.73      | 2.78       | 8.86      | 1.84      | .02       | 8.87      | 4.60           | 15.13     | 2.51 |
| May ....     | 10.25             | 2.70      | 2.57       | 7.76      | 2.47      | - .09     | 7.58      | 5.37           | 13.38     | 4.06 |
| June ....    | 10.74             | 1.87      | 2.13       | 5.64      | 3.73      | 1.25      | 6.69      | 5.74           | 12.56     | 5.70 |
| July ....    | 10.55             | 2.70      | 2.16       | 6.19      | 3.27      | 1.63      | 6.79      | 5.92           | 12.26     | 7.28 |
| 1940-41 :    |                   |           |            |           |           |           |           |                |           |      |
| Aug. ....    | 9.92              | 3.58      | 2.39       | 6.57      | 3.19      | 1.80      | 6.50      | 6.60           | 4/11.80   | 8.70 |
| Sept. ....   | 9.54              | 4.66      | 2.49       | 6.92      | 3.36      | 1.59      | 6.74      | 6.93           | 3/        | 3/   |
| Oct. ....    | 9.47              | 4.18      | 2.75       | 6.58      | 3.68      | 0.99      | 6.74      | 6.61           | 3/        | 3/   |
| Nov. ....    | 9.77              | 4.07      | 2.68       | 6.78      | 3.93      | 0.95      | 6.98      | 6.79           | 3/        | 3/   |
| Dec. ....    | 9.94              | 4.26      | 3/         | 6.30      | 4.92      | 0.84      | 7.19      | 7.10           | 3/        | 3/   |
| Dec. 6 ..    | 9.99              | 4.33      | 3/         | 6.74      | 4.48      | 3/        | 7.13      | 7.19           | 3/        | 3/   |
| 13 ..        | 9.95              | 4.09      | 3/         | 6.34      | 4.80      | 3/        | 7.21      | 7.00           | 3/        | 3/   |
| 20 ..        | 9.86              | 4.28      | 3/         | 6.04      | 5.18      | 3/        | 7.21      | 7.10           | 3/        | 3/   |
| 27 ..        | 10.00             | 4.31      | 3/         | 6.08      | 5.22      | 3/        | 7.21      | 7.10           | 3/        | 3/   |
| Jan. 3 ..    | 10.17             | 4.54      | 3/         | 5.93      | 5.61      | 3/        | 7.29      | 7.42           | 3/        | 3/   |
| 10 ..        | 10.34             | 4.32      | 3/         | 5.89      | 5.82      | 3/        | 7.33      | 7.33           | 3/        | 3/   |
| 17 ..        | 10.14             | 4.53      | 3/         | 5.83      | 6.32      | 3/        | 7.09      | 7.58           | 3/        | 3/   |
| 24 ..        | 10.18             | 4.39      | 3/         | 5.73      | 6.46      | 3/        | 6.89      | 7.68           |           |      |

Prices at New Orleans are from records of the Agricultural Marketing Service. Prices at Bombay are from Bombay Cotton Annual and Financial News through August 1940; since then from New York Cotton Exchange reports. They were converted from rupees per candy of 784 pounds at current rates of exchange (buying rates in recent weeks) as reported by the Federal Reserve Board.

Prices at Sao Paulo are from official publications and cables. Prices were converted from milreis per 15 kilograms at current rates of exchange until September 1934, October 1934 to February 10, 1935, at open or free market rates, and from February 11 to date at composite averages of official and free market rates; except from November 16, 1937 through April 10, 1939 when free market rates were used. Prices at Alexandria are from the Monthly Bulletin of Agricultural and Economic Statistics. Prices were converted from tallaris per cantar at current monthly rate of exchange through August 1939; since September 1939 converted at official rate of exchange. American prices in the United States based on gross weight; all prices foreign countries based on net weight. 1/ See preceding table for prices at Liver pool and Osaka. 2/ Based on average price for 10 months. The 10-month average price at New Orleans was 8.91 cents and at Bombay was 6.48 cents. 3/ Not available 4/ Preliminary.



Table 3.- Cotton: Exports from specified countries, average 1929-30 to 1938-39, and seasons 1938-39 to date

|                                   | Dec.   |                                 |                                 |   |  | Aug-Dec. |   |                                 |   |
|-----------------------------------|--|---------------------------------|---------------------------------|---|--|----------|---|---------------------------------|---|
| Country of origin and destination | : 10-yr.av.:<br>: 1929-30<br>: to<br>: 1938-39 : | : 1936 :<br>: 1939 :<br>:       | : 1939 :<br>: 1940 :<br>:       | : 1940 :<br>: as a<br>: pct.of:<br>: 1939 : | : 10-yr.av.:<br>: 1929-30<br>: to<br>: 1938-39 : | :        | : 1938-: 1939-: 1940 :<br>: 39 : 40 : 41 :<br>: to<br>: 1938-39 : | :                               | : 1940-41 :<br>: as a<br>: pct.of:<br>: 1939-40 : |
|                                   | : 1,000<br>: bales<br>: 1/<br>:                  | : 1,000<br>: bales<br>: 1/<br>: | : 1,000<br>: bales<br>: 1/<br>: | : 1,000<br>: bales<br>: 1/<br>Pct.          | : 1,000<br>: bales<br>: 1/<br>:                  |          | : 1,000<br>: bales<br>: 1/<br>:                                   | : 1,000<br>: bales<br>: 1/<br>: | : 1,000<br>: bales<br>: 1/<br>Pct.                |
| United States to                  |  |                                 |                                 |   |  |          |   |                                 |   |
| United Kingdom:                   | 152  | 51                              | 163                             | 20  | 12.3   | 658      | 242   | 954                             | 308   |
| Canada .....                      | 26   | 13                              | 44                              | 25  | 56.3   | 109      | 117   | 176                             | 77  |
| Japan .....                       | 185  | 113                             | 124                             | 9   | 7.3  | 722      | 457   | 422                             | 30  |
| China .....                       | 36   | 14                              | 101                             | 2   | 2.0  | 132      | 21  | 214                             | 6   |
| Russia .....                      | 0  | 0                               | 0                               | 40  | --   | 13       | 0   | 0                               | 139   |
| Germany .....                     | 118  | 25                              | 0                               | 0   | --   | 630      | 169   | 28                              | 0   |
| France .....                      | 91   | 32                              | 67                              | 0   | 0  | 426      | 273   | 309                             | 0   |
| Italy .....                       | 66   | 37                              | 94                              | 0   | 0  | 273      | 151   | 243                             | 0   |
| Spain .....                       | 19   | 0                               | 61                              | 0   | 0  | 94       | 2   | 168                             | 0   |
| Belgium .....                     | 19   | 9                               | 41                              | 0   | 0  | 79       | 52  | 121                             | 0   |
| Other coun-                       |  |                                 |                                 |   |  |          |   |                                 |   |
| tries .....                       | 70   | 74                              | 112                             | 11  | 9.8  | 306      | 418   | 499                             | 43  |
| Total 2/ ...                      | 782  | 368                             | 807                             | 107   | 13.3   | 3,442    | 1,902   | 3,134                           | 603   |
|                                   |  |                                 |                                 |   |  |          |   |                                 |   |
|                                   |  |                                 |                                 |   |  |          |   |                                 |   |
| Brazil to                         |  |                                 |                                 |   |  |          |   |                                 |   |
| Japan .....                       | 3/   | 22                              | 2                               | 21  | 1,050.0  | 3/       | 111   | 78                              | 143   |
| United Kingdom:                   | 3/   | 30                              | 10                              | 16  | 160.0  | 3/       | 109   | 92                              | 44  |
| Portugal .....                    | 3/   | 3                               | 1                               | 1   | 100.0  | 3/       | 6   | 9                               | 2   |
| Canada .....                      | 3/   | 0                               | 0                               | 17  | --   | 3/       | 0   | 1                               | 56  |
| United States :                   | 3/   | 0                               | 0                               | 3   | --   | 3/       | 0   | 2                               | 8   |
| China .....                       | 3/   | 9                               | 3                               | 14  | 466.7  | 3/       | 17  | 34                              | 54  |
| Other coun-                       |  |                                 |                                 |   |  |          |   |                                 |   |
| tries .....                       | 3/   | 22                              | 11                              | 11  | 100.0  | 3/       | 137   | 157                             | 13  |
| Total 2/ ...                      | 49   | 86                              | 27                              | 83  | 307.4  | 191      | 430   | 373                             | 320   |
|                                   |  |                                 |                                 |   |  |          |   |                                 |   |
|                                   |  |                                 |                                 |   |  |          |   |                                 |   |
| Egypt to                          |  |                                 |                                 |   |  |          |   |                                 |   |
| United Kingdom:                   | 72   | 48                              | 60                              | 3/  | --   | 259      | 192   | 285                             | 3/  |
| France .....                      | 24   | 16                              | 38                              | 3/  | --   | 91       | 66  | 120                             | 3/  |
| United States :                   | 3  | 4                               | 4                               | 3/  | --   | 33       | 14  | 33                              | 3/  |
| Germany 4/ ...:                   | 18   | 22                              | 0                               | 3/  | --   | 68       | 95  | 12                              | 3/  |
| Italy .....                       | 15   | 13                              | 15                              | 3/  | --   | 55       | 56  | 42                              | 3/  |
| Japan .....                       | 15   | 18                              | 25                              | 3/  | --   | 55       | 69  | 84                              | 3/  |
| British India :                   | 10   | 9                               | 25                              | 3/  | --   | 30       | 32  | 81                              | 3/  |
| Other coun-                       |  |                                 |                                 |   |  |          |   |                                 |   |
| tries .....                       | 41   | 50                              | 19                              | 3/  | --   | 144      | 163   | 155                             | 3/  |
| Total 2/ ...                      | 198  | 180                             | 206                             | 54  | 26.2   | 735      | 687   | 812                             | 260   |

Compiled from official sources. 1/ American in running bales (counting round bales as half bales), foreign in bales of 478 pounds net. 2/ Totals were made before figures were rounded to thousands. 3/ Not available by countries. 4/ Includes Austria since January 1, 1938.

Table 4.- Cotton: A comparison of 1940 and 1941 acreage allotments and the acreage in cotton on July 1, 1940 <sup>1/</sup>

| State              | 1940                     |        |  | 1941                 |                   |  |
|--------------------|--------------------------|--------|--|----------------------|-------------------|--|
|                    | : In cultivation July 1: |        |  | : As a percentage of |                   |  |
|                    | Allotment:               | Actual | As a<br>percentage<br>of<br>allotment: | Allotment            | 1940<br>allotment | Acreage<br>in cotton<br>July 1<br>1940 |
|                    |                          |        |  |                      |                   |  |
|                    | 1,000                    | 1,000  |  | 1,000                |                   |  |
|                    | acres                    | acres  | Percent                                | acres                | Percent           | Percent                                |
| Alabama .....      | 2,244                    | 2,057  | 91.7                                   | 2,220                | 98.9              | 107.9                                  |
| Arizona .....      | 197                      | 222    | 112.7                                  | 196                  | 99.5              | 88.3                                   |
| Arkansas .....     | 2,270                    | 2,207  | 97.2                                   | 2,246                | 98.9              | 101.8                                  |
| California .....   | 405                      | 356    | 87.9                                   | 403                  | 99.5              | 113.2                                  |
| Florida .....      | 81                       | 69     | 85.2                                   | 79                   | 97.5              | 114.5                                  |
| Georgia .....      | 2,216                    | 1,992  | 89.9                                   | 2,193                | 99.0              | 110.1                                  |
| Illinois .....     | 5                        | 2/     | ---                                    | 5                    | 100.0             | ---                                    |
| Kansas .....       | 1                        | 2/     | ---                                    | 1                    | 100.0             | ---                                    |
| Kentucky .....     | 19                       | 2/     | ---                                    | 19                   | 100.0             | ---                                    |
| Louisiana .....    | 1,251                    | 1,196  | 95.6                                   | 1,238                | 99.0              | 103.5                                  |
| Mississippi .....  | 2,689                    | 2,691  | 100.1                                  | 2,662                | 99.0              | 98.9                                   |
| Missouri .....     | 396                      | 410    | 103.5                                  | 393                  | 99.2              | 95.9                                   |
| New Mexico .....   | 115                      | 108    | 93.9                                   | 114                  | 99.1              | 105.6                                  |
| North Carolina ... | 931                      | 844    | 90.7                                   | 915                  | 98.3              | 108.4                                  |
| Oklahoma .....     | 2,176                    | 1,920  | 88.2                                   | 2,106                | 96.8              | 109.7                                  |
| South Carolina ... | 1,337                    | 1,276  | 95.4                                   | 1,323                | 99.0              | 103.7                                  |
| Tennessee .....    | 767                      | 748    | 97.5                                   | 759                  | 99.0              | 101.5                                  |
| Texas .....        | 9,917                    | 8,924  | 90.0                                   | 9,777                | 98.6              | 109.6                                  |
| Virginia .....     | 53                       | 31     | 58.5                                   | 52                   | 98.1              | 167.7                                  |
| Others .....       | ---                      | 22     | ---                                    | ---                  | ---               | ---                                    |
| Total .....        | 27,070                   | 25,073 | 92.6                                   | 26,700               | 98.6              | 106.5                                  |

<sup>1/</sup> Preliminary allotments do not include acreage increases made to growers under the minimum allotment provisions of the Agricultural Adjustment Act of 1938.

<sup>2/</sup> Included in "others".

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| Cotton, American: Exports and Mill Consumption in<br>Specified Areas, 1927-39 . . . . .  | July 1940      |
| Cotton, All Growths: Imports and Consumption in<br>Specified Importing Areas, 1927-39 . . . . .  | August 1940    |
| Cotton, American: Percentage of Exports to Specified<br>Areas . . . . .  | November 1940  |
| Cotton: Price of Egyptian, Indian, Peruvian, and<br>Brazilian, Expressed as Percentages of American<br>Middling, Liverpool 1921-39 . . . . . | March 1940     |
| Cotton Price Relatives in Foreign Currencies,<br>Specified Markets, 1927-39 . . . . .  | April 1940     |
| Relative Gold Values of Specified Currencies,<br>London, 1927-39 . . . . .   | May 1940       |
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